

November 11, 2010

Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Notice of ex parte presentation – DISH Network and EchoStar
Connect America Fund (WC Docket No. 10-90)
High-Cost Universal Service Support (WC Docket No. 05-337)*

Dear Ms. Dortch:

On November 10, 2010, representatives of DISH Network (“DISH”) and EchoStar Satellite Services (“EchoStar”) met with staff from the Wireline Competition Bureau (“WCB”) to discuss issues related to satellite broadband deployment and universal service support. DISH and EchoStar were represented by Ken Carroll, Chief Operating Officer, EchoStar Satellite Services; Rex Povenmire, Vice President, Corporate Initiatives, DISH; Alison Minea, Corporate Counsel, DISH; David Goodfriend and Rajiv Hazaray, outside consultants to DISH and EchoStar; and undersigned counsel. WCB staff in attendance were Carol Matthey, Deputy Chief; Steven Rosenberg, Chief Data Officer; Patrick Halley, Policy Advisor; Amy Bender, Deputy Chief, Telecommunications Access Policy Division (“TAPD”); and Joe Cavender, TAPD.

In the meeting, DISH and EchoStar presented information about the utility of satellite-based broadband to serve the Commission’s broadband deployment goals. This presentation followed the attached slide deck, which was distributed to the attendees. DISH and EchoStar also stressed that any use of universal service support to advance broadband deployment must be technology neutral. The companies presented the attached list of questions related to satellite-delivered broadband service that the Commission should consider posing in its planned notice of proposed rulemaking on the Connect America Fund.

WILKINSON) BARKER) KNAUER) LLP

Marlene H. Dortch, Secretary

November 11, 2010

Page 2

Please direct any questions regarding this filing to the undersigned.

Sincerely,

WILKINSON BARKER KNAUER, LLP

By: /s/
L. Charles Keller

Attachments

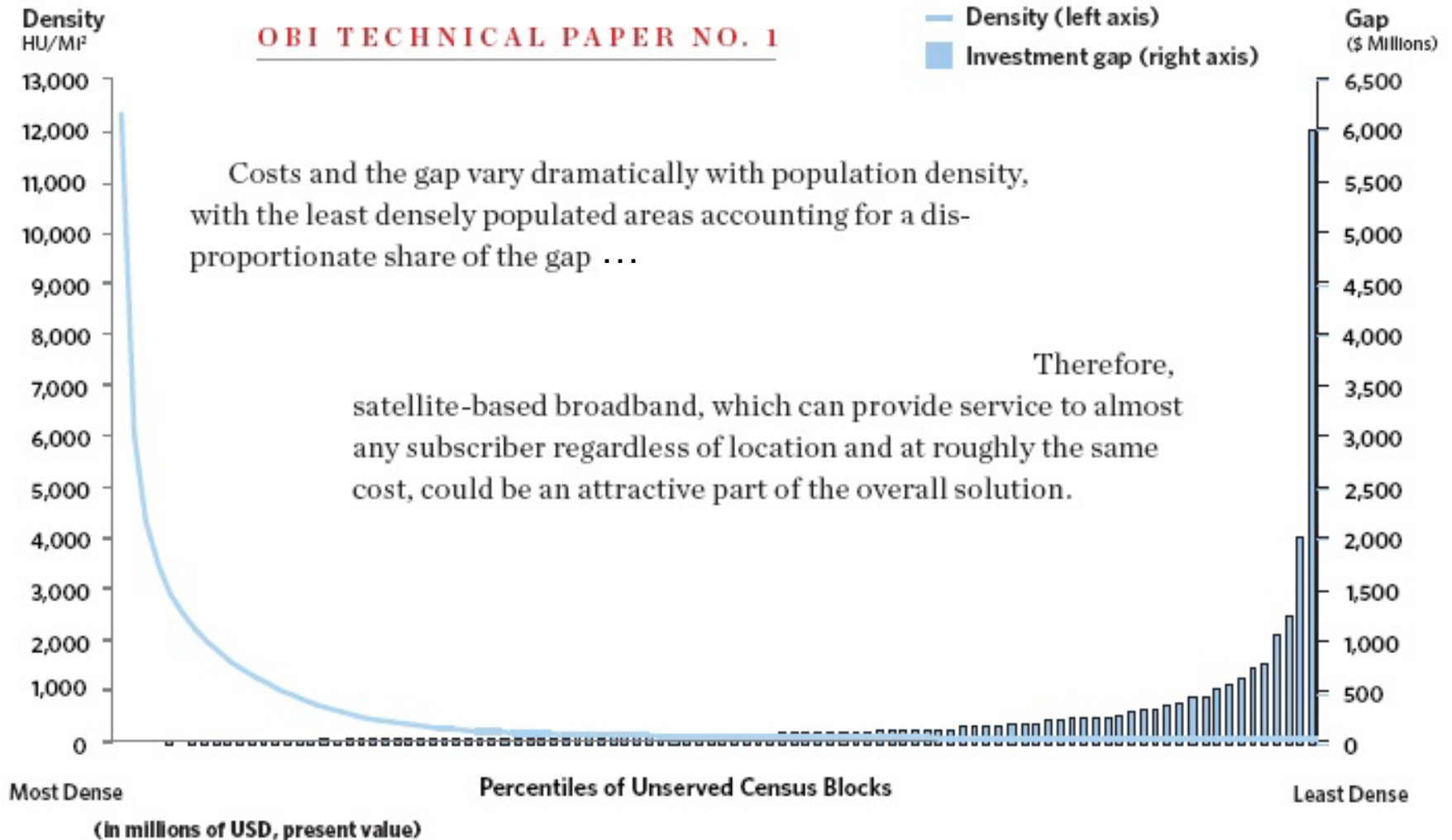
cc (email): Carol Matthey
Steven Rosenberg
Patrick Halley
Amy Bender
Joe Cavender



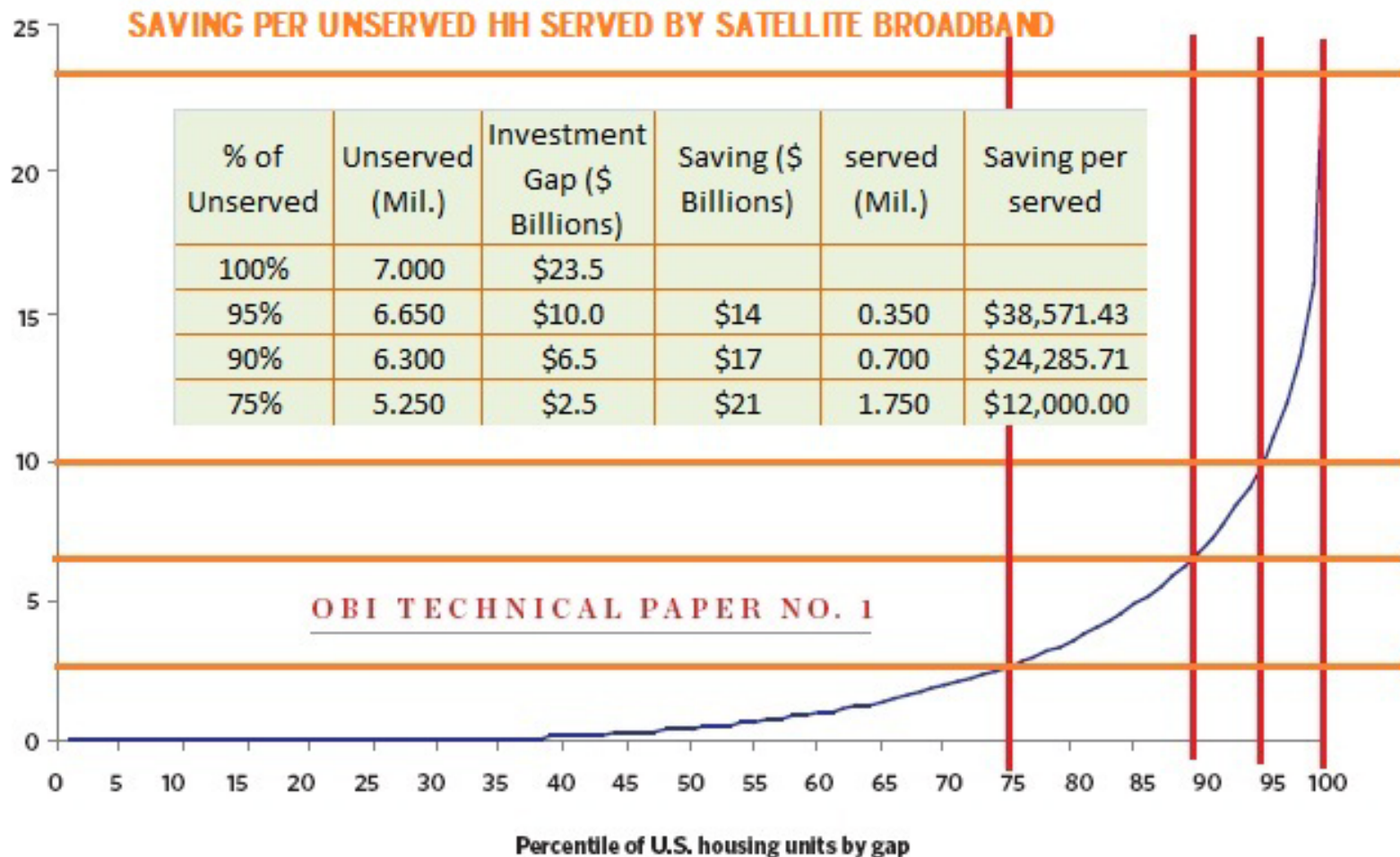
THE UNIVERSAL SERVICE REFORM

ROLE OF SATELLITE BROADBAND

OBI TECHNICAL PAPER NO. 1



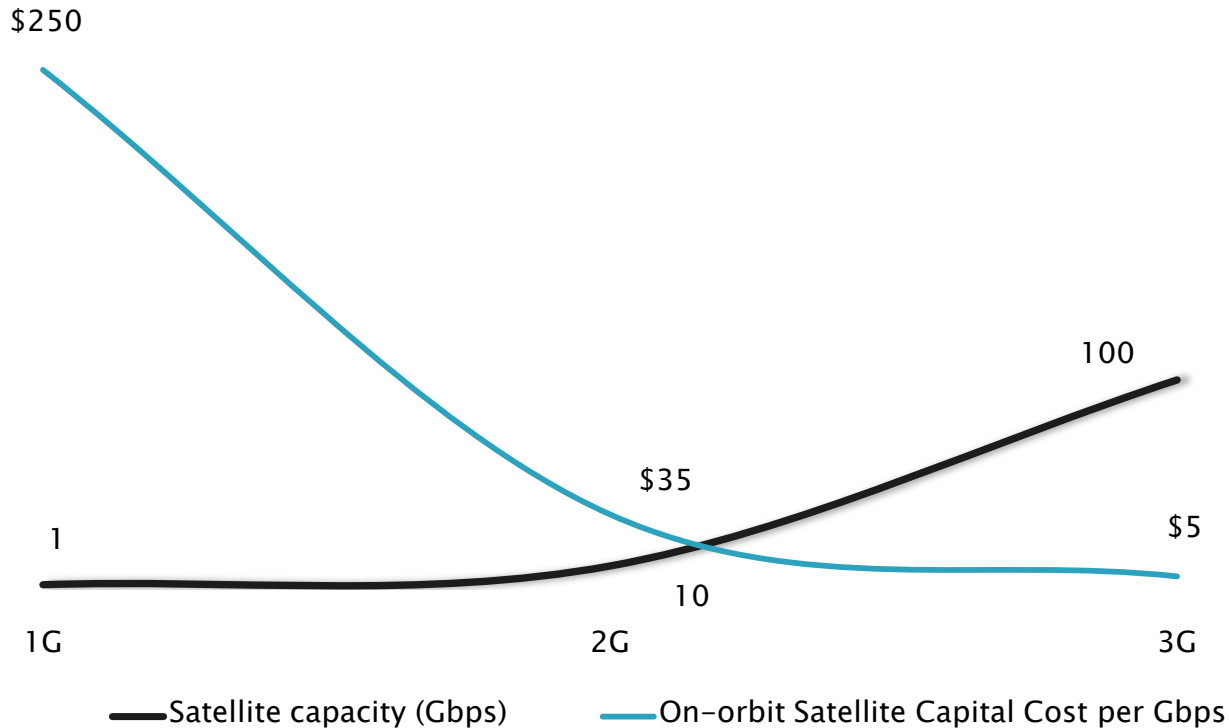
National Broadband Plan recognizes the ubiquity of Satellite Broadband service and its ability to serve America's most-expensive-to-reach homes in a cost-effective way.



(Billions of USD, present value)

- ❑ The comparative cost-effectiveness of Satellite Broadband is the highest in the bottom-most 5%-10% of the unserved subscribers.
- ❑ However, the saving remains as high as \$12,000 per home served even when the entire 4th quartile of unserved households (1.7 million households) is served by Satellite Broadband.

Broadband Satellite – Capacity & Cost Curves



The satellite industry has consistently upgraded its broadband technology over last several years. Over 3 generations of broadband satellites, the capacity (in Gbps) has tripled and the capacity cost per Gbps has drastically dropped. Given the trend, the satellite industry will be able to serve a significantly large proportion of unserved households even after factoring the growth in usage.

DISH Network and EchoStar
Potential Questions for Connect America Fund NPRM

- Based on the industry experience so far regarding the subscriber-mix across various speed tiers, the Busy Hour Offered Load (BHOL) for different speed tiers, the growth forecast in the usage per subscriber, and the anticipated progression in satellite broadband technology what do commenters estimate the number of subscribers to be that the satellite broadband industry will be capable of serving over the next 10 years?
- How would the addition of CAF-subsidized customers affect satellite broadband pricing?
- If the Commission implements the Plan's proposal to use satellite to subsidize satellite service for the unserved customers that would be costliest to serve terrestrially, how should this proposal be implemented?
 - What will be the most efficient method to identify the high-cost unserved households?
 - Should the identified most-expensive unserved customers be "set aside" such that only satellite providers be permitted to compete to receive subsidies to serve them?
 - If so, how should the number of "set aside" customers be determined? Is it reasonable to use the spike in the cost curve for terrestrial broadband service? Would it make more sense to consider the relative cost and capacity capability of satellite service instead?
 - With its near-ubiquity in service and practical difficulty in easily identifying the most expensive unserved households, will it be more efficient and cost effective to permit satellite providers to bid in reverse auctions to serve *any* unserved areas instead of setting aside the costliest customers,?
 - Would allowing satellite providers to bid alongside terrestrial providers in a CAF auction allow the auction "market" to determine how many customers satellite providers have the capacity to serve?
- What is the best way to subsidize satellite broadband service in the CAF? Should support take the form of subsidies to buy down the cost of satellite service and/or an upfront subsidy for every new connection? If the satellite operators were to assume a level of service comparable to the terrestrial providers and retain consistent return on investment, enough to generate cash-flow that will not adversely impact their ability to finance future satellite capacity, how should the amount of subsidy be determined?
- Should CAF support be used directly to support the construction and launch of additional satellites to serve additional unserved customers? If so, how should the proposal be implemented? How much additional satellite capacity should be supported? Which satellite provider(s) should receive the support, and how should the amount of support be calculated? (Rationale: No technology platform (including satellite) has sufficient capacity today to serve *all* unserved customers nationwide. The Plan clearly contemplates using subsidies to add terrestrial capacity in unserved areas. The NPRM should seek comment on using subsidies to add satellite capacity as well.)
- To the extent that nationally licensed satellite broadband providers are selected to receive support for providing broadband service to unserved customers, must they be designated as eligible telecommunications carriers ("ETCs") under 47 U.S.C. § 214(e)?
 - If so, can the FCC designate them pursuant to 47 U.S.C. § 214(e)(3)?
 - Can an ETC be designated to provide some USF-designated services (e.g., broadband) but not others (e.g., voice)?